

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-488-G - ORDER NO. 2002-36

JANUARY 17, 2002

IN RE: Petition of South Carolina Electric & Gas)
 Company for Approval of Special Accounting)
 Procedures for Certain Gas Costs Related to)
 Uncollectible Accounts.)

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ORDER APPROVING
AGREEMENT

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of South Carolina Electric & Gas Company (SCE&G or the Company) for special accounting treatment of certain costs related to uncollectible gas accounts. Commission approval of this request would permit SCE&G to record a \$509,829 charge to its deferred gas cost account. This amount represents the difference between the net amount of firm accounts actually written off as of December 31, 2001 and the Company's uncollectible benchmark consisting of its prior three year experience.

Pursuant to the instructions of the Commission's Executive Director, the matter was noticed, and a Petition to Intervene was received from the Consumer Advocate for the State of South Carolina (the Consumer Advocate). Subsequently, the Company, the Consumer Advocate, and the Commission Staff met regarding this matter, and an agreement between the Company and the Consumer Advocate was reached. The Commission Staff concurred in this agreement. This agreement now comes before this Commission for approval. Under the terms of the agreement, SCE&G would be granted its requested relief, which represents only the cost of gas portion of Firm uncollectible

write-offs. That amount, as stated previously, pursuant to the audit by the Commission Staff, is \$509,829 as of December 31, 2001. Further, SCE&G should recover this amount through a debit to its deferred gas account.

Under the agreement, the requested relief would be granted, subject to two conditions. First, SCE&G will make reasonable efforts to reinstate customers whose service was disconnected due to non-payment. SCE&G will determine the deposit requirement for customers whose service was disconnected due to non-payment of the 2000/2001 extraordinary winter bills by using the two highest consecutive bills in the previous twelve months adjusted based upon the cost of gas applicable in rates today. Specifically, deposits will be reduced by 40%. The two highest consecutive bills in the previous twelve months will be multiplied by .60 or 60%. Second, the Commission would recognize that SCE&G's request resulted from an extraordinary combination of unprecedented increases in the cost of gas and unusually cold weather. Approval of this relief by no means sets a precedent for the acceptance of other requests of a similar nature or any other retroactive and/or single issue ratemaking.

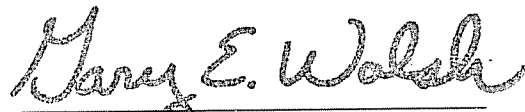
We approve the agreement as filed, and find it to be in the public interest. The reduction of deposits by 40% will remain in effect through April of 2002. We believe that the agreement allows SCE&G to recover its Firm uncollectible write-offs, while at the same time giving a break to gas consumers who have been disconnected for non-payment.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)